

## Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 ERDA-05 AID-05 CEA-01 CIAE-00 CIEP-01

COME-00 DODE-00 EB-07 FEAE-00 FPC-01 H-02 INR-07

INT-05 L-02 NSAE-00 NSC-05 OMB-01 PM-03 SAM-01 OES-03

SP-02 SS-15 STR-04 TRSE-00 FRB-03 /086 W

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R 291719Z APR 75

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 0653

INFO AMEMBASSY OSLO

AMCONSUL EDINBURGH

USMISSION OECD PARIS

C O N F I D E N T I A L LONDON 06452

E.O. 11652: GDS

TAGS: ENRG, UK

SUBJECT: NORTH SEA OIL: PETROLEUM BILL AND MAJORITY  
STATE PARTICIPATION NEGOTIATIONS

1. LIVERMAN (DEPUTY SECRETARY, DEPARTMENT OF ENERGY) EXPECTS PETROLEUM BILL WILL PASS ITS SECOND READING NEXT WEEK WITH SAFE MAJORITY AND WILL REACH COMMITTEE STAGE BY MID-MAY. HE ANTICIPATES PETROLEUM BILL WILL NOT BE PASSED IN FINAL FORM UNTIL AFTER SUMMER RECESS.

2. LIVERMAN STATED GOVERNMENT DOES NOT FAVOR ARBITRATION AND COMPENSATION PROVISIONS DESIRED BY COMPANIES WITH RESPECT TO EXPLORATION AND DEVELOPMENT PROGRAM DECISIONS, AND CERTAINLY NOT WITH REGARD TO DEPLETION POLICY DETERMINATIONS MADE IN THE NATIONAL INTEREST. HE NOTED IT WILL BE UP TO UK OFFSHORE OPERATORS ASSOCIATION TO DECIDE WHETHER TO CONTINUE TO DISCUSS POSSIBLE CHANGES IN BILL WITH HMG AND/OR ENLIST SUPPORT OF OPPOSITION IN SEEKING AMENDMENTS.

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3. ON PARTICIPATION, LIVERMAN SAID HMG HOPES TO RESUME

DISCUSSIONS IN MID-MAY. OBJECT WILL BE FOR GOVERNMENT  
"TO MAKE PROGRESS WHERE IT CAN" BY DISCUSSIONS WITH MOST  
BUT NOT NECESSARILY ALL OF MAJORS AS WELL AS SMALLER  
COMPANIES INVOLVED IN NORTH SEA. IN RESPONSE TO OUR  
QUERY, LIVERMAN SAID APPROACH OUTLINED BY HAROLD LEVER  
WHEREBY LARGER, FINANCIALLY SOLID COMPANIES WOULD BE PER-  
MITTED TO FUND 100 PERCENT OF FUTURE AS WELL AS PAST DE-  
VELOPMENT EXPENDITURES WAS ONE OF SEVERAL IDEAS BEING  
CONSIDERED AS POSSIBLE VARIANTS. AS OF NOW, HOWEVER,  
GOVERNMENT INTENDS TO PROCEED TO DISCUSS PARTICIPATION  
CONCEPT ALONG LINES INITIALLY BROACHED BY LEVER WHEREBY  
HMG WOULD FUND ITS 51 PERCENT SHARE OF FUTURE DEVELOPMENT  
COSTS.

RICHARDSON

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PETROLEUM INDUSTRY, LEGISLATIVE BILLS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 29 APR 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** GolinoFR  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975LONDON06452  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
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**Office:** ACTION EUR  
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**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
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**Subject:** NORTH SEA OIL: PETROLEUM BILL AND MAJORITY STATE PARTICIPATION NEGOTIATIONS  
**TAGS:** ENRG, UK  
**To:** STATE  
**Type:** TE  
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